



WILL THE CHIEF CREATIVITY & INNOVATION OFFICER (CCIO) STAND UP PLEASE ?


FOCUSED INNOVATION IMPERATIVE FOR ORGANIZATIONS


*By V.V. Chandra Mouli & Kishore Das**

Adrian Slywotzky, the author of popular book *The Art of Profitability* and more recently *How to Grow when Markets Don't*, has stated that we have reached a critical impasse in the growth of economy and business, in that we do not have any big idea that could give company or companies or an economy as whole a big jump start. The late 90's saw huge surge in the American economy, thanks to the Internet. Internet was a technology which transformed many an industry, from book stores to auctioning, and kick started a flagging economy (US). Every now and then it is not possible to have a Tim Berne Lee kind ideas, mature to a point when they turn paradigms topsy turvy and set bourses and practically a whole nation on fire. But surely, there are technologies which do change the fate of an industry, and therefore the fortune of a few corporations, like mobile or that product inventions, which put new players on the block, such as Xerox. Even these have become few and far between. Until and unless organizations begin to focus on innovation, in the systematic way they have on quality and cost, they will find themselves left out in the economic race.

Is innovation really that important? That would seem as a redundant question when one considers the findings of a recent study by Deloitte¹ which predicts that 70% of the products that are currently available would be

¹ "Mastering Innovation: Exploiting Ideas for Profitable Growth," A Deloitte Research Publication





obsolete in 6-7 years. Apart from this quantitative data, the qualitative information, also looks equally worrisome

- (a) In all sectors, products are becoming commodities at an unprecedented rate; (weather it is a car or a computer, minor feature differentiation is all that exists, sometimes even that is becoming difficult)
- (b) Most markets are plateauing out; even new technology products like mobile are finding growth not so easy to come by (case in point is Nokia)
- (c) Bottom line focus through cost cutting is no longer yielding the results as it did in the past. Reengineering, process streamlining and finally ERP implementation have removed most of the fat in the system

By the year 2010, 70% of the products currently available, will be obsolete

Source: Deloitte Research

If the problem is so enormous, then the next question that comes up is, why is it that organizations do not take the innovation process seriously? Looks like this is where typically organizations play to the same sub-conscious orchestra that individuals do, ie pretend that the problem does not exist or if it exists they would take a minimalistic approach to it (do what ever little can be done and then hope the whole issue is addressed!). In line with this thought process organizations take up, therefore those processes which curtail their risks, while continuing to address some of their immediate needs. So, in the process what organizations do (at best) is develop a good *continuous improvement program* and/or *suggestion scheme*. As depicted in

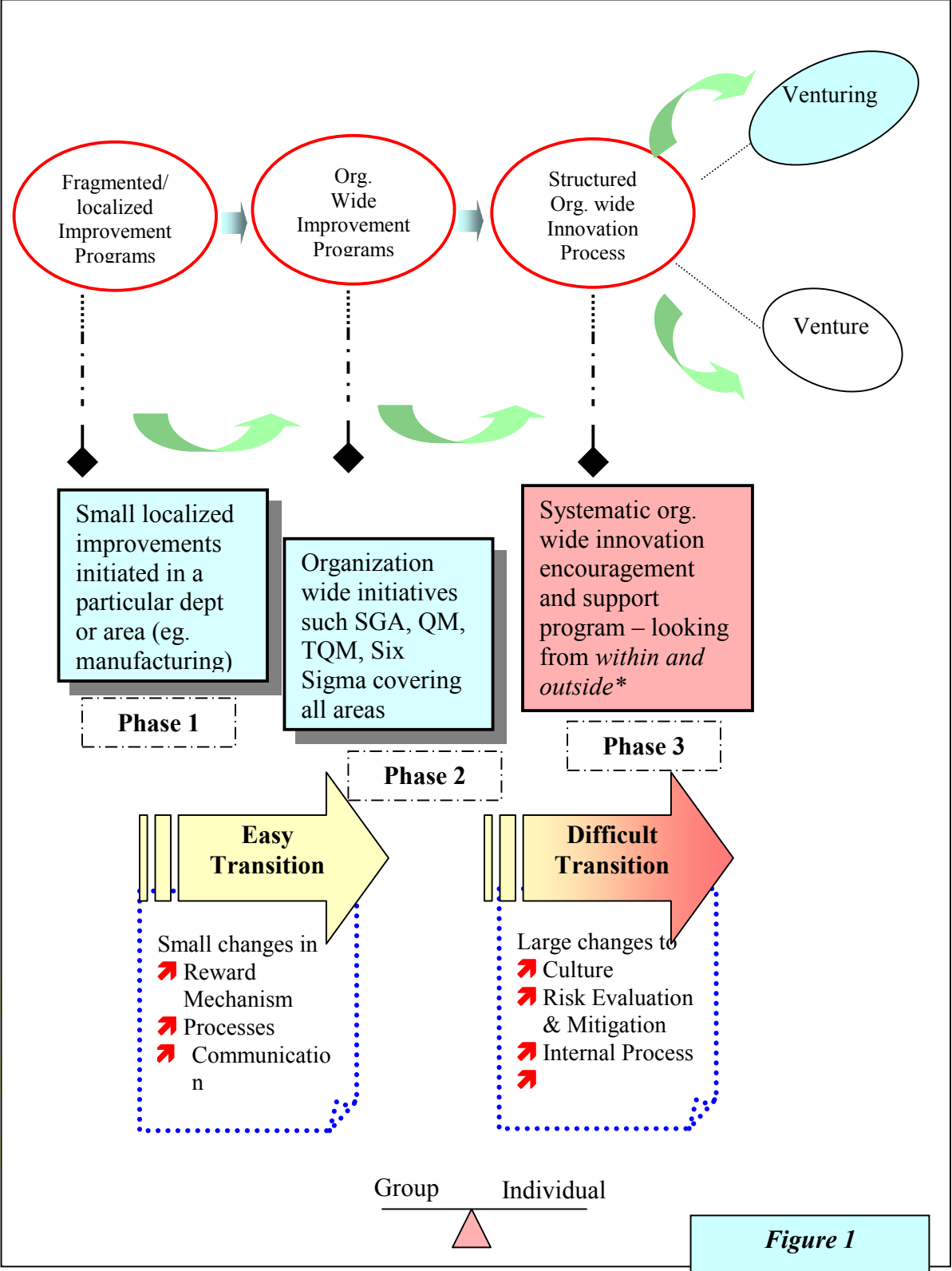




Figure 1



in Figure 1, Phase 1 is taken up either consciously by the organization or by a well meaning, forwarding looking “area” head. And the transition to Phase2 which is a more organization wide, structured process for problem and solution identification, is done without much difficulty. And thanks to the Japanese, most organizations have made this migration, be it in large automobile organizations or small electronic companies. The newer variants of this process, such as Six Sigma (which is actually over two decades old, but popularized recently by GE), still address the *issue of issues* in the same way. That is, the various variants of this process have one underlying principle at their core, *which is problem identification and solution generation*, and all techniques, methods and processes are geared up to meet this requirement. Not that there is anything fundamentally wrong with this approach, except that

- (a) it narrows the perspectives in which issues are seen and addressed; current products, current markets and current customers. As Clayton Christensen⁺ rightly pointed out in his book, organizations do not have processes in place, *which can analyze markets that do not exist*. And most definitely this true in case of innovation route is through the improvement process. How many times is it that a continuous improvement program/TQM has led to the introduction of new products by the organization?
- (b) if every one in the market place ie all your competitors are doing the same thing, then this gives you at best what can be termed as “*market absorbable pricing structure*”. Put otherwise, this doesnot give you a competitive advantage (definitely not a sustainable one), but not doing could give you a competitive disadvantage.

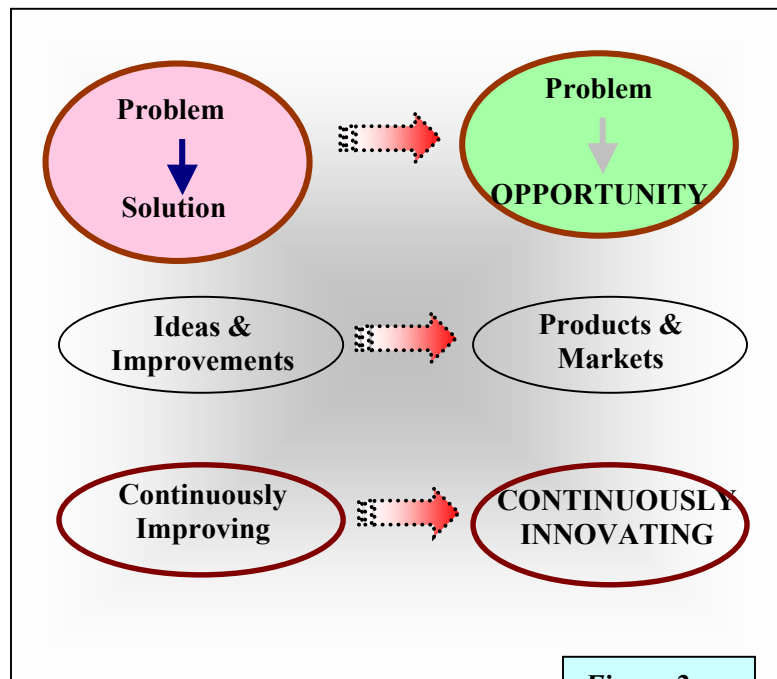
⁺ “*The Innovator’s Dilemma: When New Technologies Cause Great Firms to Fail*,” Clayton M. Christensen, Harvard Business School Press, 1997



(c) if this is the last stop of an organization's innovation journey, then it definitely runs the peril of being overtaken or being edged out in the market place.

So then the moot question is how do organizations make the difficult crossing from *continuously improving* to *continuously innovating*.

That is how do organization, move from looking at lateral solutions to problems, to



lateral think about the application of the solutions.

That is, it is just not the solution to the problem that is unique, but the solution opens up unique opportunities. This is by no means an easy transition for any organization to make and in order for that to happen the organization would have to bring about changes in the culture, the processes and the structure. Culture is the first, foremost and the most important aspect of building an innovation centric organization. There are number of elements of culture, but in this context it chiefly corresponds to two, one is the risk taking environment that is prevalent and two the failure handling process. This is where the issue of leadership in the organization comes

into picture. The leadership in the organization should be such that, it inculcates a culture of *adventure - a sense of let us try it*. Not a rash, foolhardy approach of chasing all wild geese, but that, which makes the judicious judgment, that ventures can go wrong at times. In tune with this culture they will establish processes which will help in channelzing, communicating, evaluating and prioritizing various ideas in the organization.

Along with the culture and the processes, in the organization there is also a need for supporting structure which ensures that the organization becomes innovation centric. It is surprising that organizations have Chief Technology Officers (CTOs), Chief Information Officer (CIO), Chief Knowledge Officer (CKO) and so on so forth, but none specifically

CHIEF CREATIVITY & INNOVATION OFFICER

Designation: Chief Creativity & Innovation Officer


Morphed & combined roles of chief ideation officer, chief improvement officer and chief internal venture capitalist

Roles & Responsibilities

- ◆ Enterprise Opportunity Identification – Resource based and market based
- ◆ Enterprise Ideation Process
- ◆ Enterprise Entrepreneurial Talent Identification
- ◆ Enterprise venturing

Key Result Areas


Product or Market identification ideas +++

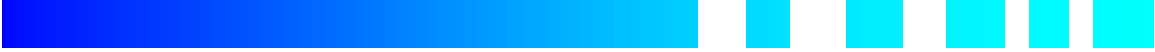


dedicated to the task of spearheading the organizations innovation initiative. Therefore, in order for organizations to create specific thrust and focus, they would have to create the post of Chief Creativity and Innovation Officer(CCIO), with the specific responsibility of ensuring that the organization makes the all important transition from continuously improving to continuously innovating. The role of the CCIO would therefore encompass all activities along the innovation value chain – from ideation to venturing. The CCIO would therefore be shouldering responsibility for creating processes which support

- (a) generation of ideas for existing problems and issues
- (b) developing solutions for the problems
- (c) converting the solutions (some or all) to opportunities
- (d) identifying the entrepreneurial talent within the organization which will convert the opportunity to business reality
- (e) venturing for the new enterprise; finding ways and means of financing the venture (internal and external capital rising processes), and
- (f) nurturing those ventures into profitable business entities.

These responsibilities are by no means easy and call for a matured person, who can morph himself/herself from and into the roles of a chief ideation officer, chief improvement officer and chief internal venture capitalist. However, if organizations have to mitigate the risk of being obliterated in the market place, they should manage the risk of internal innovation. This is not necessarily true only for high tech companies operating in the electronics, bio-technology or similar knowledge intensive industries, where we do find people manning positions, such as Chief Innovation Officer. Even companies in the brick-and-mortar segment would have to look at similar positions, and since for them, the innovation process would be a *logical extension* of their improvement process, they would have to have





someone who shoulders the responsibility of the entire innovation chain. Hence a post of a Chief Creativity and Innovation Officer would be more apt and applicable for these organizations.

This is going to be *more true* for Asian companies, which have for long focused their energies on product development, rather than product innovation. But, as has been seen repeatedly in the past, the companies that grow, the economies that thrive and the nations that prosper are essentially the ones that master the art of innovation. And this can happen only when there is a focused and concerted effort in organizations, and the Chief Creativity and Innovation Officer could just be a beginning. •